CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 28, 1999

H.R. 1211
Foreign Relations Authorization Act, Fiscal Year 2000

As ordered reported by the House Committee on International Relations on April 15, 1999

SUMMARY

The bill would authorize appropriations for the Department of State and related agencies for 2000. CBO estimates that appropriation of the authorized amounts would result in additional discretionary spending of $7.3 billion over the 2000-2004 period. Because the legislation would affect direct spending and revenues, pay-as-you-go procedures would apply, but the impact would generally be less than $500,000 a year.

H.R. 1211 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no significant effects on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1211 is shown in the following table. CBO assumes that the authorized amounts would be appropriated by the start of each fiscal year and that outlays would follow historical spending patterns. The costs of this legislation fall within budget functions 150 (international affairs) and 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
Spending Subject to Appropriation						
Spending Under Current Law[a]						
Budget Authority[b]	7,198	0	0	0	0	0
Estimated Outlays	5,944	1,317	609	470	146	74
Proposed Changes						
Administration of Foreign Affairs						
Authorization Level	0	4,280	0	0	0	0
Estimated Outlays	0	2,321	605	439	444	217
International Organizations and Commissions						
Authorization Level	0	1,248	0	0	0	0
Estimated Outlays	0	1,211	30	5	2	0
Voluntary Contributions to International Organizations and Refugee Assistance						
Authorization Level	0	1,043	0	0	0	0
Estimated Outlays	0	781	231	11	5	1
Public Diplomacy Programs and Asia Foundation						
Authorization Level	0	1,046	0	0	0	0
Estimated Outlays	0	785	201	35	13	2
Other Provisions						
Estimated Authorization Level	0	0	1	1	1	1
Estimated Outlays	0	-3	0	0	1	1
Subtotal of Proposed Changes						
Estimated Authorization Level	0	7,617	1	1	1	1
Estimated Outlays	0	5,095	1,067	490	465	221
Spending Under H.R. 1211[a]						
Estimated Authorization Level[b]	7,198	7,617	1	1	1	1
Estimated Outlays	5,944	6,412	1,676	960	611	295
Direct Spending and Revenues						
Proposed Changes to Direct Spending						
Estimated Budget Authority	c	c	c	c	c	c
Estimated Outlays	c	c	c	c	c	c
Proposed Changes to Revenues	c	c	c	c	c	c

a. The programs covered by this funding include the conduct of foreign affairs, and information and exchange activities.
b. The 1999 level is the amount appropriated for that year.
c. Less than $500,000.

BASIS OF ESTIMATE

Spending Subject to Appropriation

CBO estimates that the bill would result in outlays totaling $7.3 billion over the 2000-2004 period, assuming appropriation of the authorized amounts. In addition to stated authorizations totaling $7.6 billion, the bill contains a number of other provisions with potential budgetary impacts.

Fees for Affidavits of Support. Section 256 would authorize the State Department to charge a fee for helping to prepare certain affidavits as part of an immigrant visa application. Proceeds from the fees would be deposited as offsetting collections and would be available for spending, subject to appropriation. Based on information from the department, CBO estimates that it would charge a $50 fee and collect roughly $17 million a year. Because spending would initially lag behind collections, this provision would lower net outlays by $3 million in 2000 and $1 million each year in 2001 and 2002 before spending would completely offset collections.

Miscellaneous Provisions. The bill includes several provisions that would combine to raise spending subject to appropriation by about $1 million annually, but each provision would probably cost less than $500,000 a year. The individual budgetary impacts are insignificant because they would involve small payments either to a few people or for infrequent events.

- Section 206 would require the Secretary of State to negotiate a code of conduct for international arms sales with all countries who are parties to the Wassenaar Arrangement.

- Section 322 would allow U.S. citizens hired abroad to receive a different (usually higher) amount of compensation than a foreign national employed in the same position.

- Section 323 would grant employees living in the United States and working in Canada or Mexico adjustments for locality pay equal to what they would receive if they worked nearby in the United States.

- Section 326 would expand the Secretary of State's authority to allow other agencies to use the U.S. Foreign Service personnel system and appoint individuals hired abroad as members of the Service.

- Section 327 would authorize advances of pay for employees with medical emergencies.

- o Section 328 would authorize allowances to compensate dependents of a deceased employee who are returning to the United States.

- o Section 329 would allow employees working abroad who send a dependent to school away from their post to use an education allowance to pay for room, board, and periodic travel between the post and the school.

Direct Spending

The bill would affect direct spending by less than $500,000 in most years.

Deaths and Estates of U.S. Citizens Overseas. Section 251 would expand the authority of the State Department to oversee and liquidate the estates of U.S. citizens who lived overseas but died intestate. Under current law, the department is authorized to take possession, oversee, and dispose of estates. After a certain period, if no claims have been made against the estate, the proceeds from the sale are transferred to the U.S. state in which the deceased citizen last lived. If the state is unknown, the proceeds are deposited into the Treasury as miscellaneous receipts (revenues).

The bill would make three substantive changes that would increase miscellaneous receipts. First, if the country in which the citizen died is unable to issue a death certificate, the State Department would issue a report of death (or presumptive death), which would allow for the disposition of the estate. The $10 fee charged for the report would be deposited in the Treasury. (The fee and other expenses associated with disposition of the estate are paid by the estate.) Second, instead of transferring the proceeds of the sale to the U.S. state, these proceeds would be deposited directly into the Treasury. Finally, the bill would allow the State Department to take title to any real property. The department would have the option to retain the property for its own use or sell it and deposit the proceeds in the Treasury. CBO estimates that these changes would raise miscellaneous receipts by less than $500,000 in most years; however, sales of real property could net over $500,000 in rare instances.

Appropriation of Interest. Section 208 would authorize the State Department to spend interest that is earned on funds made available for cooperation in scientific, cultural, and related areas. Under current law, such funds are deposited in interest-bearing accounts, and accrued interest is retained in the account. Based on information from the State Department, CBO estimates that the department would earn 5 percent interest on approximately $1.5 million and would increase spending by about $75,000 a year.

Reimbursements From a State. Section 602 would authorize the commissioner of the International Boundary and Water Commission to accept and spend funds from state and local governments. Upon request, those contributions would be used to provide technical tests, surveys, or similar services. CBO estimates that collections and spending would not be significant in any year.

PAY-AS-YOU-GO CONSIDERATIONS

The bill contains several provisions that affect direct spending and revenues, but the net impact is estimated to be less than $500,000 a year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1211 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no significant effects on the budgets of state, local, or tribal governments.

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